

**11. BYE-LAWS OF THE ESOS****1. NAME OF SCHEME**

This Scheme shall be called the "Boon Koon Group Berhad Employee Share Option Scheme".

**2. OBJECTIVES OF SCHEME**

The objectives of the Scheme are:-

- (a) to provide an opportunity for Employees to participate as shareholders of the Company;
- (b) to reward and retain Employees whose services are vital to the continued growth of the Group; and
- (c) to motivate Employees towards better performance through greater loyalty to the Group.

**3. DEFINITIONS AND INTERPRETATION**

3.1 In these Bye-Laws, the following terms and expressions shall have the following meanings:-

- |                      |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| "Board"              | -  | The Board of Directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "CDS"                | -  | Central Depository System.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Company"<br>"BKG"   | or | Boon Koon Group Berhad.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| "Date<br>Acceptance" | of | The date whereupon the ESOS Committee shall receive the written notice from the Employee accepting the Offer.                                                                                                                                                                                                                                                                                                                                                                            |
| "Date of Offer"      | -  | The date on which an Offer is made by the ESOS Committee to an Employee in the manner provided in Bye-Law 7.                                                                                                                                                                                                                                                                                                                                                                             |
| "Effective Date"     | -  | The date of the confirmation letter submitted by the adviser to the SC which signifies the effective date for the launch/implementation of the Scheme. The confirmation letter confirms that the Company (i) has fulfilled the SC's conditions on the approval for the Scheme and that the Bye-Laws do not contravene the SC Guidelines on Employee Share Option Schemes and (ii) has obtained other relevant approvals for the Scheme and has fulfilled all conditions imposed therein. |
| "Employee(s)"        | -  | A natural person who is employed by and on the payroll of any company in the Group and who fulfils the conditions of eligibility stipulated in Bye-Law 5.1. Employees include Executive Directors.                                                                                                                                                                                                                                                                                       |

**11. BYE-LAWS OF THE ESOS (Cont'd)**

"Executive Director(s)"	- A natural person who holds a directorship in a full time executive capacity and is involved in the day-to-day management of any company in the BKG Group and is on the payroll of such company.
"ESOS"	- Employee share option scheme of up to ten percent (10%) of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme, or such additional number that may be permitted by the SC during the duration of the Scheme.
"ESOS Committee"	- A committee comprising Director(s) and senior management personnel appointed by the Board to administer the Scheme.
"Grantee"	- An employee who has accepted an offer in the manner provided in Bye-Law 8.
"Group"	- The Company and its subsidiaries as defined in Section 5 of the Companies Act, 1965 which are not dormant. Subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in Bye-Law 17.2.
"Market Day"	- Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the MSEB is open for the trading of securities.
"Maximum Entitlement"	- The maximum number of Options that can be accepted by an Employee.
"MCD"	- Malaysian Central Depository Sdn Bhd.
"MSEB"	- Malaysia Securities Exchange Berhad (635998-W).
"Offer"	- An offer made by the ESOS Committee to any Employee in the manner provided in Bye-Law 7.
"Option(s)"	- The contract constituted by acceptance by an Employee in the manner provided in Bye-Law 8 of an Offer made to such Employee by the ESOS Committee pursuant to Bye-Law 7. Each Option shall entitle an Employee to subscribe for one (1) Share upon its exercise.
"Option Period"	- The period commencing from the Date of Offer and expiring five (5) years therefrom or upon the date of expiry of the Scheme as provided in Bye-Law 19. In the event that the duration of the Scheme shall be extended or the Scheme shall be renewed, the date of expiry of the Scheme shall be the date of expiry as so extended or renewed.
"SC"	- Securities Commission.
"SC Guidelines"	- Policies and Guidelines on Issue/Offer of Securities issued by the SC as amended or expanded on from time to time

# **11. BYE-LAWS OF THE ESOS (Cont'd)**

- "Scheme" - The scheme for the grant of Options to Employees to subscribe for Shares upon the terms set out herein known as the "Boon Koon Group Berhad Employee Share Option Scheme".
- "Shares" - Ordinary shares of RM0.50 each.
- "Subscription Price" - The price at which a Grantee shall be entitled to subscribe for each Share as calculated in accordance with the provisions of Bye-Law 11.

- 3.2 Headings are for ease of reference only and do not affect the meaning of a Bye-Law.
- 3.3 References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes include any consolidations, replacements or revisions of the same.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.

## **4. TOTAL NUMBER OF OPTIONS AVAILABLE UNDER SCHEME**

- 4.1 The total number of Options offered under the Scheme shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the duration of the Scheme as provided in Bye-Law 19, or such additional number that may be permitted by the relevant authorities during the duration of the Scheme.
- 4.2 Bye-Law 4.1 shall not apply where the total number of new Shares which may be made available under the Scheme exceeds ten percent (10%) of the issued and paid-up share capital of the Company during the existence of the Scheme resulting from the cancellation of the Company's own Shares purchased by the Company in accordance with the provision of Section 67A of the Companies Act, 1965. In such event, the provisions of Bye-Law 15.3(e) shall be complied with and the Options shall remain valid and exercisable in accordance with the Bye-Laws of the Scheme.
- 4.3 The Company will keep available sufficient unissued Shares in its authorised share capital to satisfy all outstanding Options throughout the duration of the Scheme.

## **5. ELIGIBILITY**

- 5.1 Only Employees who fulfil the following conditions shall be eligible to participate in the Scheme:-
- (a) An employee must be a Malaysian citizen of at least eighteen (18) years of age on the Date of Offer. An Executive Director must be at least eighteen (18) years of age on the Date of Offer and need not be a Malaysian;
- (b) An employee must be full time employee of the Group, and in the case of an Executive Director, he must hold a directorship in a full time executive capacity, be involved in the day-to-day management and be on the payroll of any company in the Group;
- (c) An employee or an Executive Director must have been employed for a continuous period of at least six (6) months in the Group and his employment must have been confirmed on the Date of Offer;

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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- (d) If an employee or an Executive Director is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary of the Company upon such acquisition, the employee or Executive Director must have completed a continuous period of at least six (6) months in the Group following the date that such company becomes or is deemed to be a subsidiary;
  - (e) If an employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (a) to (d) above, also fulfil the following conditions:-
    - (i) the employee must be serving the Group on a full time basis; and
    - (ii) in the event that the employee is serving under an employment contract, the contract should be for a duration of at least three (3) years; and
  - (f) If an employee is serving under an employment contract, the contract should be for a duration of at least three (3) years, provided always that if such an employee has previously been employed permanently for a continuous period of at least two (2) years, then there shall be no minimum contractual duration imposed.
- 5.2 Executive Directors who represent the Government or Government Institution/ agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible to participate in the Scheme.

**6. MAXIMUM ENTITLEMENT AND BASIS OF ALLOTMENT**

- 6.1 The number of Options to be offered to each Employee shall be at the discretion of the ESOS Committee. In exercising its unfettered discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each Employee and any other considerations deemed fit by the ESOS Committee. The decision of the ESOS Committee shall be final and binding.
- 6.2 Notwithstanding Bye-Laws 6.1 above, there should be equitable allocation to the various grades of Employees, such that not more than 50% of the Shares available under the Scheme should be allocated, in aggregate, to Directors and senior management.
- 6.3 Notwithstanding Bye-Laws 6.1 and 6.2 above, not more than 10% of the Shares available under the Scheme should be allocated to any individual Director or Employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company. The term 'associates' will bear the same meaning as that in the Companies Act, 1965.
- 6.4 (a) In the event that an Employee is moved to a higher category, the Maximum Entitlement applicable to such Employee shall, upon such promotion, be the Maximum Entitlement for the category corresponding to his new grade.

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- (b) In the event that an Employee is moved to a lower category, his Maximum Entitlement shall, upon such demotion, be reduced accordingly to that of the category corresponding to his new grade, provided always that:-
  - (i) in the event that the total number of Options which has been accepted by him up to the date he is moved to the lower category is greater than his Maximum Entitlement under such lower category, he shall be entitled to continue to hold and to exercise all unexercised Options held by him on such date but he shall not be entitled to be offered any further Options unless and until he is subsequently moved to a higher category so that his Maximum Entitlement is increased to an amount greater than the total number of Options which has been accepted by him; and
  - (ii) in the event that the total number of Options which have been accepted by him up to the date he is moved to the lower category is less than his Maximum Entitlement under such lower category, he shall be entitled to continue to hold and to exercise all unexercised Options held by him on such date and to be offered further Options up to his Maximum Entitlement under such lower category.

6.5 The ESOS Committee may make more than one (1) Offer to an Employee provided that the aggregate number of Options offered to an Employee throughout the entire duration of the Scheme does not exceed his Maximum Entitlement, subject always to Bye-Laws 6.2 and 6.3.

6.6 The ESOS Committee may, subject to the approval of the Board introduce additional categories of Employees who are eligible to participate in the Scheme, which it deems necessary during the duration of the Scheme.

## 7. OFFER

7.1 During the duration of the Scheme, the ESOS Committee may at its discretion at any time and from time to time make an Offer in writing to an Employee, subject to the Employee's Maximum Entitlement. Each Offer shall be in a multiple of 100 Options, or such other tradable units of Shares as may be determined by the ESOS Committee, the minimum being 100 Options, or such other tradable units of Shares as may be determined by the ESOS Committee. The Options shall only be accepted in multiples of 100 Shares or such other tradable units of Shares as may be determined by the ESOS Committee.

7.2 The ESOS Committee shall state the following particulars in the letter of Offer:-

- (a) the number of Options that are being offered to the Employee;
- (b) the number of Shares which the Employee shall be entitled to subscribe for upon the exercise of the Options being offered;
- (c) the Option Period;
- (d) the Subscription Price; and
- (e) the closing date for acceptance of the Offer.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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- 7.3 An Offer shall be valid for a period of one (1) month from the Date of Offer ("Offer Period").
- 7.4 No Offer shall be made to any Executive Director of the Company unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.

**8. ACCEPTANCE**

- 8.1 An Offer shall be accepted by an Employee within the Offer Period by written notice to the ESOS Committee accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit One (RM1.00) only for the grant of the Options.
- 8.2 The Company shall within thirty (30) days of the Date of Acceptance issue to the Employee an Option Certificate stating, inter alia, the number of Options granted, the Subscription Price and the Option Period.
- 8.3 If an Offer is not accepted in the manner aforesaid, the Offer shall automatically lapse upon the expiry of the Offer Period.

**9. NON-TRANSFERABILITY**

- 9.1 An Option is personal to the Grantee and subject to the provisions of Bye-Laws 14.2 to 14.6, is exercisable only by the Grantee personally during his lifetime whilst he is in the employment of any company in the Group.
- 9.2 An Option shall not be transferred, assigned or otherwise disposed of by the Grantee save and except in the event of the death of the Grantee as provided under Bye-Law 14.6.

**10. EXERCISE OF OPTIONS**

- 10.1 The maximum number of Options exercisable by a Grantee at any time and from time to time during the Option Period shall be set out in the Option Certificate issued to the Grantee.
- 10.2 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period. All unexercised Options shall be exercisable in the last year of the Option Period. Any Option which remain unexercised at the expiry of the Option Period shall be automatically terminated.
- 10.3 A Grantee shall notify the Company of his intention to exercise his Options in such form and manner as the ESOS Committee may prescribe or approve ("Notice of Exercise"). An Option may be exercised in such manner and subject to such conditions as stipulated in the Option Certificate in respect of such lesser number of new Shares as the Grantee may decide to exercise provided always that the number shall be in multiples of and not less than one hundred (100) Shares, save and except where a Grantee's balance of Options exercisable in accordance with these Bye-Laws shall be less than one hundred (100) Shares, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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- 10.4 Within ten (10) Market Days of receipt of such notice and payment or such period as may be prescribed by the MSEB, the Company shall allot and/issue the relevant number of Shares, despatch a notice of allotment to the Grantee and then make an application for the quotation of the Shares, upon and subject to the provision of the Listing Requirements of MSEB and Articles of Association of the Company. The said Shares will be credited directly into the CDS account of the Grantee or his financier, as the case may be. No physical certificates will be issued.
- 10.5 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in procuring the MSEB to list the Shares subscribed for by a Grantee.

**11. SUBSCRIPTION PRICE**

The Subscription Price shall be calculated in the following manner:-

- (a) Where the Option is granted before the Company is listed on the MSEB then the price at which the Grantee is entitled to subscribe for the Shares shall not be less than the price of the Shares set for the public issue and/or offer for sale of the Shares for the purpose of listing of the Company on the MSEB ("Offer Price").
- (b) Where the Option is granted on or after the Company is listed on the MSEB, the price at which the Grantee is entitled to subscribe for the Shares shall be the higher of:-
- (i) a price to be determined by the Board upon the recommendation of the ESOS Committee which is at a discount of not more than 10% from the weighted average market price of the Shares as shown in the daily official list issued by the MSEB for the five (5) Market Days immediately preceding the Date of Offer; and
  - (ii) the par value of the Shares.

subject to such adjustments as stipulated under Bye-Law 15 herein or as may be amended by the relevant authorities from time to time.

**12. RIGHTS ATTACHING TO SHARES**

The Shares to be issued and allotted upon any exercise of the Option will upon allotment and issuance rank *pari passu* in all respect with the then existing issued Shares except that the Shares so issued will not be entitled for any dividend, rights, allotment or other distribution declared, made or paid to shareholders unless the Shares so allotted have been credited into the relevant securities accounts of the shareholders maintained by MCD before the entitlement date and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

**13. HOLDING OF SHARES**

The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his financier's CDS account.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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**14. TERMINATION OF EMPLOYMENT**

14.1 Subject to Bye-Laws 14.2 to 14.5, an Option which has not been exercised by the Grantee shall be automatically terminated in the following circumstances:-

- (a) termination of employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the Grantee's last day of employment;
- (b) bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction;
- (c) winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-
  - i) in the case of a voluntary winding up:-
    - aa) the date on which a provisional liquidator is appointed by the Company; or
    - bb) the date on which the shareholders of the Company passed a resolution to voluntarily wind-up the Company; or
  - ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; and
- (d) termination of the Scheme pursuant to Bye-Law 19.3;

whichever shall be applicable.

14.2 A Grantee may apply in writing to the ESOS Committee to be allowed to continue to hold and to exercise any Options held by him upon termination of employment with the Group in the following circumstances:-

- (a) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (b) retirement before the age specified under the above said retirement policy, with the consent of his employer; or
- (c) ill health, injury or disability; or
- (d) retrenchment; or
- (e) transfer to any company outside the Group at the direction of the Company; or
- (f) any other circumstances as may be determined by the ESOS Committee from time to time.



# **11. BYE-LAWS OF THE ESOS (Cont'd)**

14.3 Applications under Bye-Law 14.2 shall be made:-

- (a) in a case where paragraph 14.2(a), (b) or (f) is applicable, before the Grantee's last day of employment. The Grantee may exercise Options at any time before his last day of employment subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee before the Grantee's last day of employment, any Option held by the Grantee on his last day of employment shall be automatically terminated;
- (b) in a case where paragraph 14.2(c) is applicable, within one (1) month after the Grantee notifies his employer of his resignation due to ill health, injury or disability. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated;
- (c) in a case where paragraph 14.2(d) is applicable, within one (1) month after the Grantee is notified that he will be retrenched or, where he is given an offer by his employer as to whether he wishes to accept retrenchment upon certain terms, within one (1) month after he accepts such offer. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated; and
- (d) in a case where paragraph 14.2(e) is applicable, within one (1) month after the Grantee is notified that he will be transferred to a company outside the Group. The Grantee may exercise Options within the said period of one (1) month subject to the provisions of Bye-Law 10, whichever applicable. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.

14.4 The ESOS Committee shall consider applications under Bye-Law 14.2 on a case to case basis and may in its discretion approve or reject any application in whole or in part without giving any reasons therefore and may impose any term and condition in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the relevant Option Period and subject to the provisions of Bye-Law 10, whichever applicable. Any Option in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of Bye-Law 14.3 or on the date of the ESOS Committee's decision, whichever is the later.

14.5 In the event that the ESOS Committee receives an application under Bye-Law 14.2 after the expiry of the relevant period under Bye-Law 14.3, the ESOS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESOS Committee's discretion and powers under Bye-Law 14.4. In the event that the ESOS Committee approves the application in whole or in part, the Company shall make an Offer in respect of the Options which are the subject of the approval to the Grantee and such Options shall be exercisable:-

- (a) only within the Option Period of those Options which were terminated due to the Grantee's delay in making the application;

# **11. BYE-LAWS OF THE ESOS (Cont'd)**

- (b) in accordance with the provisions of Bye-Law 10 as applicable in respect of such terminated Options; and
  - (c) at the Subscription Price applicable in respect of such terminated Options.
- 14.6 In the event that a Grantee dies before the expiration of the Option Period and at the date of his death held any Options, the following provisions shall apply:-
- (a) such Options may be exercised by the legal or personal representative of the Grantee ("Representative");-
    - (i) within eighteen (18) months after the Grantee's death ("Permitted Period"); or
    - (ii) within the Option Period;

whichever expires first. For the avoidance of doubt, it is hereby stated that Bye-Laws 10.1 and 10.2 shall not be applicable in this event;
  - (b) In the event that the Option Period expires before the Permitted Period, any Options which have not been exercised by the Representative at the expiry of the Option Period shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options; and
  - (c) In the event that the Permitted Period expires before the Option Period, the following provisions shall apply:-
    - (i) the Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESOS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event that no application is received by the ESOS Committee before the expiry of the Permitted Period, any Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically terminated;
    - (ii) the ESOS Committee shall consider such applications on a case to case basis and may in its discretion approve or reject an application in whole or in part without giving any reasons therefore and may impose any term and condition in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Representative may exercise the Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Option Period) and in accordance with the provisions of Bye-Law 10.3. Any Option in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESOS Committee's decision, whichever is the later;

## **11. BYE-LAWS OF THE ESOS (Cont'd)**

(iii) in the event that the ESOS Committee receives an application after the expiry of the Permitted Period, the ESOS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESOS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESOS Committee approves an application in whole or in part, the Company shall make an Offer in respect of the Options which are the subject of the approval to the Representative and such Options shall be exercisable:-

(aa) within such period as may be stipulated in the Offer which shall not exceed the Option Period of those Options which were terminated pursuant to sub-paragraph (i) above;

(bb) in accordance with the provisions of Bye-Law 10.3; and

(cc) at the Subscription Price applicable in respect of the Options which were terminated pursuant to sub-paragraph (i) above.

14.7 The provisions of Bye-Law 14.5 and Bye-Law 14.6(c)(iii) constitute exceptions to the provision of Bye-Law 5.1 and Bye-Law 11.

## **15. ALTERATION OF CAPITAL**

15.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company may at the discretion of the Board cause such adjustment to be made to:-

(a) the number of Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option; and/or

(b) the Subscription Price;

as shall be necessary to give a Grantee the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment. Where it is decided that no adjustments will be made, such decision must be made known to all Grantees. Where it is decided that an adjustment will be made but it is not practicable to ensure that all Grantees are given the same proportion of the issued capital, the Company must, in such circumstances, seek a waiver from the SC, together with justifications.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bye-Law 15.1:-

(a) any adjustment to the Subscription Price shall be rounded up to the nearest one (1) sen and in no event shall the Subscription Price be reduced to an amount which is below the par value of the Shares; and

(b) in determining a Grantee's entitlement to subscribe for Shares, any fractional entitlements will be disregarded.

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15.3 Bye-Law 15.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-

- (a) an issue of Shares pursuant to the exercise of Options under the Scheme; or
- (b) an issue of securities as consideration for an acquisition; or
- (c) an issue of securities as a private placement; or
- (d) an issue of securities as a special issue approved by the relevant governmental authorities; or
- (e) a purchase by the Company of its own Shares pursuant to Section 67A of the Companies Act, 1965. In this event, the following provisions shall apply:-
  - (i) if the number of Options granted by the Company as at the date of cancellation of Shares so purchased is greater than 10% of the issued capital of the Company after such cancellation, the ESOS Committee shall not make any further Offers; and
  - (ii) if the number of Options granted by the Company as at the date of cancellation of Shares so purchased is less than 10% of the issued capital of the Company after such cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company is equivalent to 10% of the issued capital of the Company after such cancellation.

15.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Companies Act, 1965, Bye-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which Bye-Law 15.1 is applicable, but Bye-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which Bye-Law 15.1 is not applicable as described in Bye-Law 15.3.

15.5 An adjustment pursuant to Bye-Law 15.1 shall be made at the following times:-

- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
- (b) in the case of a consolidation or subdivision of Shares or reduction of capital, on the Market Day immediately following the date of allotment of new Shares of the Company in respect of such consolidation, subdivision or reduction.

Upon any adjustment being made, the ESOS Committee shall give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

15.6 All adjustments must be confirmed in writing by an approved company auditor, acting as an expert and not as an arbitrator, to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor to the effect that in the opinion of such auditor, acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards to such Grantee, and such certification shall be final and binding on all parties. For the purposes of this Bye-Law, an approved company auditor shall have the meaning given in Section 8 of the Companies Act, 1965.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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**16. TAKE-OVERS AND MERGERS**

In the event of an offer being made for Shares under the Malaysian Code on Take-Overs and Mergers, 1998 and such offer being declared unconditional, the following provisions shall apply:-

- (a) a Grantee shall be entitled to exercise all or any of the Options held by him as at the date of such offer being declared unconditional, within a period of six (6) months after such date and in accordance with the provisions of the Bye-Laws. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six (6) months; and
- (b) if during the said period of six (6) months, the offeror becomes entitled or bound to exercise rights of compulsory acquisition in respect of the Shares under the provisions of the Companies Act, 1965 and gives notice to the Grantee that he intends to exercise such rights on a specific date ("Specified Date"), the Grantee shall be entitled to exercise all or any of the Options held by him until the expiry of the said period of six (6) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of the Bye-Laws. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six (6) months or on the Specified Date, whichever is the earlier.

**17. DIVESTMENT FROM GROUP**

17.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:-

- (a) shall be entitled to continue to hold and to exercise all the Options held by him on the date of completion of such divestment within a period of six (6) months from the date of completion of such divestment or the Option Period, whichever expires first, and in accordance with the provisions of the Bye-Laws. In the event that the Grantee does not so exercise some or all of such Options, the unexercised Options shall be automatically terminated upon the expiry of the relevant period; and
- (b) shall no longer be eligible to participate for further Options under the Scheme as from the date of completion of such divestment.

17.2 For the purposes of Bye-Law 17.1, a company shall be deemed to be divested from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 5 of the Companies Act, 1965.

**18. WINDING UP**

All outstanding Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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**19. DURATION AND TERMINATION OF SCHEME**

19.1 The Scheme shall come into force upon obtaining the following approvals:-

- (a) the SC;
- (b) the MSEB for the listing of and quotation for the new Shares to be issued pursuant to the exercise of the Options;
- (c) the shareholders of the Company in general meeting;
- (d) the fulfilment of any conditions attached thereto and upon the adviser submitting to the SC the following additional requirements:-
  - (i) Final copy of the Bye-Laws of the Scheme; and
  - (ii) Confirmation letter from the adviser confirming that the Company:-
    - (aa) has fulfilled the SC's conditions on the approval for the Scheme and that the Bye-Laws do not contravene the SC Guidelines on Employee Share Option Schemes; and
    - (bb) has obtained other relevant approvals for the Scheme and has fulfilled all conditions imposed therein.

The Scheme shall be in force for a duration of five (5) years from the Effective Date. The Company may, if the Board and the ESOS Committee deem fit, extend the Scheme for another five (5) years. Such extended Scheme shall be implemented in accordance with the terms of the Bye-Laws set out herein, save for any amendments and/or changes to the relevant statutes and/or regulations currently in force and shall be valid and binding without further obtaining the approvals of the abovementioned parties PROVIDED THAT the Company shall serve appropriate notices on each Grantee and/or make necessary announcements to any and/or all of the abovementioned parties within thirty (30) days prior to the expiry of the Scheme.

19.2 Offers can only be made during and not after the duration of the Scheme.

19.3 The Company in general meeting may at any time by ordinary resolution terminate the Scheme. Prior to the termination, the Company must satisfy all of the following conditions:-

- (a) To obtain the approval of the SC for the termination of the Scheme;
- (b) To obtain the consent of its shareholders at a general meeting, wherein at least a majority of the shareholders present should vote in favour of the termination; and
- (c) To obtain the written consent of all Grantees who have yet to exercise their Options, either in part or in whole.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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- 19.4 In the event of termination of the Scheme, the following provisions shall apply:-
- (a) no further Offers shall be made by the ESOS Committee from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained;
  - (b) all Offers which have yet to be accepted shall automatically lapse from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained; and
  - (c) all outstanding Options shall be automatically terminated from the date the last of the approvals specified in Bye-Law 19.3 shall have been obtained.
- 19.5 In seeking to obtain the approval of the SC and the consent of shareholders and Grantees for the termination of the Scheme, the Company must provide sufficient information on the following matters:-
- (a) Reasons for the termination;
  - (b) Whether or not the termination of the Scheme would be in the best interest of the Company; and
  - (c) Any other information that would justify termination of the Scheme.
- 19.6 The Company may establish a new employee share option scheme after the expiry or upon the termination of the Scheme. However, the new scheme shall be subject to the approval of the SC.

**20. ADMINISTRATION**

- 20.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these Bye-Laws, administer the Scheme and regulate the ESOS Committee's own proceedings in such manner as it shall think fit.
- 20.2 Without limiting the generality of Bye-Law 20.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 20.3 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the ESOS Committee as it shall deem fit.
- 20.4 The ESOS Committee shall comprise persons from the Board and/or senior management of the Company.

**21. AMENDMENT**

- 21.1 Any subsequent modifications or amendments to the Bye-Laws do not need the prior approval of the SC. However, the Company is required to submit to the SC each time a modification or amendment is made, a confirmation letter that the modification or amendment does not contravene any of the provision of the SC Guidelines on Employee Share Option Schemes.

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**11. BYE-LAWS OF THE ESOS (Cont'd)**

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21.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to or deletions of these Bye-Laws provided that no addition, amendment or deletion shall be made to these Bye-Laws which would:-

- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by Bye-Law 4.1; or
- (c) provide an advantage to any Grantee.

**22. INSPECTION OF FINANCIAL STATEMENTS**

All Grantees are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during the usual business hours.

**23. SCHEME NOT A TERM OF EMPLOYMENT**

The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Employee.

**24. NO COMPENSATION FOR TERMINATION**

No Employee shall be entitled to any compensation for damages arising from the termination of any Options pursuant to the provisions of these Bye-Laws.

**25. DISPUTES**

Any disputes arising hereunder shall be referred to the decision of the external auditors for the time being of the Company acting as experts and not as arbitrators, whose decision shall be final and binding in all respects, provided that no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bye-Laws.

**26. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of Options, shall be borne by the Company.

**27. ARTICLES OF ASSOCIATION**

In the event of a conflict between any of the provisions of these Bye-Laws and the Articles of Association of the Company, the Articles of Association shall prevail.